



Intercell announces initiation of further Phase II clinical trial of V710 an investigational vaccine to prevent *S. aureus* infection

Vienna (Austria), August 28, 2008 – Intercell AG (VSE: ICLL) today announced that its collaborator Merck & Co., Inc. has initiated a Phase II clinical trial of V710, an investigational vaccine for the prevention of *Staphylococcus aureus* (*S. aureus*) infections. This randomized double blind, placebo controlled study aims to evaluate the safety and immunogenicity of the vaccine candidate in patients with end-stage kidney disease on hemodialysis. This trial start follows the initiation of a separate Phase II trial in December 2007.

Gerd Zettlmeissl, CEO of Intercell, commented "We are very pleased that our strategic partner Merck has chosen to initiate a further Phase II clinical trial. We look forward to continued progress of the program building on clinical data obtained so far."

The *S. aureus* vaccine candidate is based on a conserved protein antigen discovered by Intercell and licensed to Merck & Co., Inc. in 2004 on an exclusive world wide basis. Merck is responsible for clinical development, manufacturing and marketing. Intercell is eligible to receive milestone payments and royalties on future net sales. In Phase I clinical trials the *S. aureus* candidate vaccine was shown to be immunogenic and generally well tolerated.

Hospital-acquired Infections

Hospital-acquired infections caused by bacteria are one of the major causes of death and serious illness. Intercell has embarked on a large scale, comprehensive and multi-target antigen identification program to contribute to vaccine efforts in this field. Besides Merck's *S. aureus* vaccine, based on an antigen identified by Intercell, Intercell is developing a vaccine against hospital-acquired infections caused by *Pseudomonas aeruginosa* (Phase II/III trial is expected to be initiated in 2008) and a *Pneumococcus* vaccine (Phase I trials planned for end 2008). Furthermore Intercell has ongoing pre-clinical programs for Enterococcus and Klebsiella vaccine discovery.

About *S. aureus*

S. aureus is the most frequent cause of hospital-acquired infections. In addition to bloodstream infections with a mortality rate of up to 35%, infections of bone, heart and other inner organs are leading to serious health complications, death and economic burden. Today, approximately 50% of *S. aureus* strains isolated in hospitals worldwide are resistant to multiple antibiotics, rendering staphylococcal disease management increasingly difficult and challenging. Hospital-acquired infections are one of the major causes of death and serious illness worldwide, resulting in an annual burden of more than USD 20 billion in the developed world. In the United States alone, about two million patients become infected annually while receiving health care in hospitals.



About Intercell AG

Intercell AG is a growing biotechnology company which focuses on the design and development of novel vaccines for the prevention and treatment of infectious diseases with substantial unmet medical need. The Company develops antigens and adjuvants which are derived from its proprietary technology platforms and has in-house GMP manufacturing capabilities. Based on these technologies, Intercell has strategic partnerships with a number of global pharmaceutical companies, including Novartis, Merck & Co., Inc., Wyeth, Sanofi Pasteur, Kirin, and the Statens Serum Institut.

The Company's leading product, a prophylactic vaccine against Japanese Encephalitis, successfully concluded pivotal Phase III clinical trials in 2006 and is currently in the process of market approval in the US, Europe, Australia and Canada. Market approval in the US, Europe and Australia is expected for the second half of 2008.

The company's broad development pipeline includes a Travelers' Diarrhea vaccine (patch) in Phase II (start of Phase III expected in 2009), a Pseudomonas vaccine in Phase II, as well as an immunostimulant vaccine patch in pandemic Flu, a partnered S. aureus vaccine in Phase II and five products focused on infectious diseases in preclinical development.

Intercell is listed on the Vienna stock exchange under the symbol "ICLL".

For more information please visit: www.intercell.com

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